

# FISCAL NOTE

## SB 1346 - HB 1066

March 24, 1997

**SUMMARY OF BILL:** Requires health maintenance organizations, managed care organizations, and health insurance providers to cover emergency services rendered in a hospital emergency room, even if the facility is outside of the insurers network. The insurer shall provide access 24 hours a day to provide prior authorization and shall be deemed to approve a request if an attempt was made to contact the insurer for prior authorization.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - Exceeds \$1,000,000**

**Other Fiscal Impact - Increase Expenditures/Health Industry - Exceeds \$1,000,000<sup>1</sup>**

This assumes that TennCare MCOs and private health insurers currently deny coverage for some emergency room visits not approved by a primary care physician or which do not constitute an emergency as defined by medical personnel. Expenditures for emergency room visits will increase and managed care organizations will lose some measure of control over patient utilization of hospital emergency rooms.

This bill would not directly impact the state employee health care plan or most local government health care plans, since self-insured plans are exempted by federal law (ERISA).

<sup>1</sup>The impact on the health industry is included as required by Chapter 244 of the Public Acts of 1989.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director